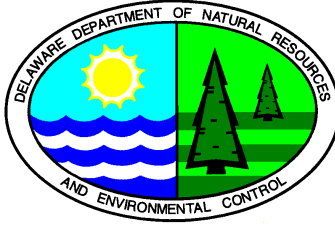


Delaware Energy Efficiency Investment Fund Energy Efficiency Projects Solicitation



**Department of Natural Resources and Environmental Control
Division of Energy & Climate
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Date Issued: November 2, 2012

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Questions or clarifications about this program solicitation can be sent to:

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This solicitation is available on the following websites:

www.dnrec.delaware.gov/energy

Application Deadlines

~~December 15, 2012~~ **December 31, 2012**

February 15, 2013

May 15, 2013

August 15, 2013

Section 1: Background

The Energy Efficiency Investment Fund (EEIF) was created to help Delaware businesses make strategic investments in capital equipment and facility upgrades that will help reduce operating costs, lower energy consumption, and improve environmental performance. EEIF supports projects that reduce fossil fuel energy consumption in buildings, promote energy efficiency and conservation in buildings, create and retain jobs, and stimulate economic development. The program offers competitively awarded grants and low-interest loans.

The Energy Efficiency Investment Fund is capitalized annually with \$5 million in public utility tax receipts. The Fund is administered through the Department of Natural Resources and Environmental Control's Division of Energy and Climate (DE&C).

Section 2: Eligibility

2.1 Applicant Eligibility

Eligible applicants of the Energy Efficiency Investment Fund program are non-residential electric or natural gas consumers located in Delaware that pay the Delaware Public Utility Tax. For more information on who pays the public utility tax, please see: <http://delcode.delaware.gov/title30/c055/index.shtml>

Applicants are required to submit a copy of their utility bill with the application to verify payment of the public utility tax.

2.2 Eligible Projects

Installation of energy efficiency measures that achieve a simple payback of not more than 10 years and not less than 1.5 years.

Efficiency measures include but are not limited to:

- Efficiency improvements to thermal barrier, mechanical insulation, HVAC, and lighting and controls
- Efficiency improvements to production equipment such as air compressors, motors, pumps, variable frequency drives;

2.3 Ineligible Projects

The following projects are not eligible for funding under this incentive program:

1. Projects involving measures that are required by state or federal law or local building or energy codes, or are deemed by DE&C to be standard industry practice measures.

2. Projects for which the customer had made binding commitments to proceed prior to the program solicitation issue date.
3. Measures that rely solely on human behavior changes or facility maintenance.
4. Feasibility studies.
5. Power quality, power factor, and power conditioning projects.
6. Projects that do not result in an overall kWh use reduction, except in the case where measures are intended to expand facility use or production and will do so in a more efficient manner due to the measures proposed.

Section 3: Project Requirements

3.1 Minimum project requirements

1. Projects must be installed on property located in Delaware and owned or leased by the applicant.
2. Energy efficiency measures must be justified by an energy audit or in-depth assessment. The audit must have been completed within the previous six (6) months unless otherwise approved by the EEIF Program Manager. Applicants seeking technical assistance can apply for EEIF Energy Assessment Grants.
3. Applicants are required to comply with all applicable local, state, and federal laws and codes and secure any necessary permits.
4. Applicants are required to provide in the EEIF application a project implementation schedule not exceeding 12 months from the date of project commencement unless agreed otherwise in writing by the EEIF Program Manager.

Section 4: Award Criteria

4.1 Project Selection Criteria

Applications for project funding will be competitively awarded based on five key selection criteria. Applications for grants and loans will be ranked based upon anticipated performance of the following criteria:

1. **Energy Savings (40 points):** The reduction in energy consumption per Fund grant dollar invested (measured in kilowatt-hour saved per Fund grant dollar);
2. **Environmental Benefits (25 points):** quantifiable improvements in environmental performance, measured by percentage reductions in air emissions, water consumption, water pollution, waste, etc.;

3. **Resource Adequacy and Project Readiness (20 points):** demonstration of secured investment, management, and readiness to complete project within 12 months of an award;
4. **Job Creation (15 points):** projected construction jobs created and long-term job retention and/or creation benefits;
5. **Comprehensive Project Bonus (5 bonus points):** Projects that achieve more comprehensive energy savings using a blend of measures to capture all or a significant portion of the cost-effective energy efficiency opportunities

The following subsections provide detailed descriptions of the five award criteria.

4.2 Energy Savings/ Kilowatt Hour Reductions (40 points)

Applications will be scored on the basis of the number of kWh reduced per year per grant dollar requested. Applicants should describe projected annual and lifetime savings resulting directly from implementation of the proposed project. Applications must include a description of the proposed measurement and verification (M&V) plan to create reliable and verifiable ex post quantifications of project impacts. Applicants should provide sufficient data for the technical review committee to recreate the analysis used to calculate projected savings.

If the energy saving measure(s) is non-electric source (e.g. natural gas or fuel oil reduction), please provide both the British thermal unit (btu) and kWh equivalent value. The application proposal that demonstrates the greatest kWh savings per year per dollar of EEIF funding requested will receive the full 40 points. All other proposals will receive points in this category in proportion to their energy savings per dollar of funding requested, as compared to the proposal with the greatest energy savings per grant dollar requested.

For existing equipment, the applicant must estimate and justify the reduction in kWh consumption between the useful life of the existing equipment and the proposed new measures. For new facilities, the proposal will be scored on the difference between the kWh that would be consumed through use of industry standard equipment or processes and the kWh that will be consumed in the proposed project.

All applications will be subject to an engineering review by an in-house or third party consultant retained to assist the scoring team. The EEIF program reserves the right to request more information and/or to modify applicant claims of kWh savings based on the independent engineering analysis. The EEIF program reserves the right to disqualify a proposal if it finds that there is a reasonable likelihood that the measure will not achieve the savings claimed.

4.3 Environmental Benefits (25 points)

Projects will be evaluated for improvements to environmental performance. Proposals will score up to 25 points for demonstration of reductions in greenhouse gas emissions, criteria air pollutants, water pollutants, water consumption, and material waste. Please provide annual

and lifetime reduction numbers, the percentage reduction, and a description of the pollutants (e.g. CO₂, NO_x, SO₂, CO₂, PM_{2.5}, VOC) along with the source or assumptions for the calculation.

4.4 Resource Adequacy and Readiness (20 points)

The EEIF Program will consider the evidence that the following factors are in place when scoring proposals for management and resource adequacy and readiness:

- **Site Control and Project Approval:** Demonstration of sufficient site control for project completion (such as site agreements, licenses, permitting, lease agreements, and land ownership in place) and identification of the timeline for internal and external approvals required to proceed with proposed measures;
- **Project Budget and Schedule:** Reasonableness of the applicant's budget and schedule and the ability of the project to reach completion by an agreed-upon time frame. Include budget, key milestones, timeframe for engineering, equipment purchases, installation, commissioning, etc.;
- **Costs and Financing:** Evidence of the ability to provide, through internal sources, third-party financing agreements, project partners, or other commitments, adequate capital to complete the project.
- **Permitting:** Identification of anticipated permit requirements (local, state, federal) and timeline;
- **Project Management Organization and Qualifications:** Demonstration of the company and key personnel's ability to complete the project as proposed; and
- **Risk Management:** Explanation of strategies in place to limit exposure to uncertain future events that, if they materialize, will impact the ability of the project to deliver the claimed kWh savings.

The EEIF program reserves the right to disqualify a proposal that fails to demonstrate sufficient experience, planning, and resources needed to execute a successful project.

4.5 Job Creation (15 points)

Applications should indicate the number of direct and/or indirect jobs that will be created or retained as result of the project. Applications should detail the number of estimated job-hours for the project and indicate if any positions created or retained as a result of the project.

4.6 Comprehensive Project Bonus (5 bonus points)

Projects that achieve more comprehensive energy savings using a blend of measures to capture all or a significant portion of the cost-effective energy efficiency opportunities at a facility will be considered for a comprehensive project bonus. This is not an opportunity to include measures that on their own are not cost-effective or proven, but rather an opportunity to present a portfolio of measures with varying degrees of cost-effectiveness.

Section 5: Program Funding

5.1 Award Opportunity

For existing buildings, grants are available for up to 30% of total project cost not to exceed \$500,000. For new construction projects, grants are available for up to 50% of the incremental cost for efficiency measures that result in a minimum of 15% energy saving above industry standard baseline practice or current building energy code.

Loans may be available for up to the full remaining project cost, and are not to exceed \$1,500,000. More information and guidance on the loan eligibility can be found ~~in this document at the end of the Loan Application.~~ **on the DE&C website.**

5.2 Award Limitations

There is a limit of \$2,000,000 in EEIF awards in the aggregate to entities that are part of an affiliated group of companies under common ownership or control per 12-month period measured from the date of the first award. By way of example, a parent and subsidiary or sister entities with a common owner would not be eligible to receive in excess of \$2,000,000 in total combined awards in a 12-month period.

Section 6: Application Process

EEIF Project Application forms are available on our website at: <http://www.dnrec.delaware.gov/energy/information/otherinfo/Pages/EnergyEfficiencyInvestmentFund.aspx>.

Applicants submitting for grants only will fill out **Part A- Project Funding Application**. Applicants submitting for a grant and loan will also need to complete **Part B- Loan Application**.

Please include any additional documentation as attachments and send an electronic copy to cara.lampton@state.de.us or send an electronic version by disc or USB drive to our address at the Division of Energy and Climate: 1203 College Park Drive, Suite 101 Dover, DE 19904.

6.1 Application Timeline and Submissions

Applications will be evaluated on a quarterly basis until funding is exhausted. The application deadlines are as follows:

~~December 15, 2012~~ **December 31, 2012**
February 15, 2013
May 15, 2013
August 15, 2013

Reviews will be conducted in a timely manner. If the application is determined to be incomplete or ineligible, the applicant will be notified and provided an opportunity to provide additional information. Notification of the review schedule will be given to applicants shortly after the deadline.

Please send questions and applications electronically to Cara Lampton (Cara.Lampton@state.de.us; phone: 302-735-3486). All applicants should specify and explain whether their applications should be treated as confidential.

6.2 Awards

Grant and loans are reviewed and approved through a review committee. An initial review will be conducted to confirm eligibility and to evaluate energy savings potential. Applications are then brought to the review committee for a final review and scoring. For projects with loan applications, a credit review will be conducted only after the project is approved for award based on its Project Selection Criteria evaluation.

DE&C may use internal staff, staff of other agencies, private consultants, industry experts or other designated representatives to evaluate the technical and economic aspects of the applications.

6.3 Reporting

All grant recipients must use ENERGY STAR's Portfolio Manager to report both the building's pre-retrofit Energy Performance Rating and an estimated post-retrofit Energy Performance Rating.

Portfolio Manager is available at:

http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager.

Grant recipients must agree to provide the EEIF Program permission to access the Portfolio Manager account for the building. ENERGY STAR tools and resources can be found at:

http://www.energystar.gov/index.cfm?c=tools_resources.bus_energy_management_tools_resources.

Loan recipients will need to continue to use Portfolio Manager to report their building's energy consumption data for the first 12 months of building operations following implementation of the energy measures during the loan repayment period.